CARBON PRICING MRV SNIPPETS

Issue #8: Common Errors in Emissions Report (Part 4) – Non-compliance with Approved Monitoring Plan (MP) and Measurement & Reporting (M&R) Requirements

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Types of non-compliance

Deviations from Approved MP

Non-compliance if facilities select emission sources, quantification approaches, or emission stream categorisations that are inconsistent with their approved MP.

Examples

- Incorrect emission source classification (e.g., vents vs other flare)
- Incorrect emissions quantification approach selection (e.g., Direct Measurement vs Calculation Approach)
- Incorrect classification of emission streams (e.g., reckonable vs non-reckonable streams)
- Use of incorrect primary data sources (e.g., wrong meter tags or default emission factor instead of approved site-specific emission factor)

Failure to apply Higher-Tier Data or Methods where available

Tier 1
Tier 2
Tier 3

Non-compliance if facilities use less accurate quantification methods or data when more accurate methods or site-specific data are available onsite.

Examples

- Using default emission factors when site-specific data from analysers or Certificates of Analysis (COA) are available for determining Net Calorific Value (NCV) and CO_2 Emission Factors
- Applying engineering estimates (e.g., using fixed design flow) to quantify activity data, when flowmeters capable of measuring actual flow are available

Non-compliance with the M&R requirements under Carbon Pricing Act (CPA)

Non-compliance if facilities fail to comply with the M&R requirements stipulated under CPA, including obtaining timely approvals and updating MP as required.

Examples

- Did not seek NEA's approval for the use of alternative approach (AA) > 90 days
- Did not notify NEA and seek NEA's approval when the use of AA is extended beyond the approved end date.
- Did not notify NEA and update MP within 30 days of implementing a significant MP change

Root Causes of Errors

- Insufficient understanding of approved MP and CPA M&R requirements
- Poor record-keeping and document control
- Inadequate change management practices / communications to ensure GHG team is aware of any change impacting
- Inadequate internal reviews and quality assurance processes

Prevention & Mitigation – Key Actions

Stakeholder Engagement and Training

- Ensure GHG team and relevant staff/data owners understand the applicable CPA M&R requirements.
- Use checklists or templates to verify key reporting parameters such as emission source classification, quantification method, stream classification, meter tags and emission factors.

Strengthen Change Management

- Strengthen the Management of Change (MOC) process to ensure that all changes (including any plant modifications, equipment or instrument changes) that would impact GHG emissions reporting are promptly communicated to the GHG team.
- Require GHG team to conduct prompt assessment on whether the changes require MP update and ensure the updated MP is submitted to NEA within the applicable regulatory timeline.
- Maintain supporting records for methodology changes, approvals, equipment changes and key data sources.

Strengthen Internal Checks

- Conduct regular internal reviews of approved MP to ensure that emissions sources, quantification methodologies, data sources remain appropriate, up to date and are implemented as per approved MP.
- Check reported methodologies and data sources against the latest approved MP, before submission of ER.
- Track and verify that any usage of AA > 90 days has been approved by NEA with the correct end date.

Takeaway Messages

- Check against the latest approved MP
- Assess impacts on GHG emissions reporting as part of the change management process
- Be familiar with and comply with applicable submission and approval requirements within the required timeline